Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

ADMIRAL STANSFIELD TURNER

Address to

28th Annual University for Presidents

Fairmont Hotel, San Francisco, California

Monday, 6 February 1978

Thank you. That is about the best introduction I've ever had and I mean that. There was real thought put into that and I appreciate it and I appreciate the opportunity to be here with you. I've known YPOers for many years some of whom were the strongest supporters of this organization. Unfortunately, they have almost all turned 50 and aren't here today. I wondered, however, when I received your invitation why you were asking probably the only person in the room who hasn't met a payroll in his whole life to come and talk to a university for businessmen. However, I looked in your catalogue and I find that tomorrow afternoon you're going to hear from Professor Bronstein. He is going to talk to you about semioptics. I never heard of that before, but I find in here that it's something that seems to me needs you and me to do a lot in common. It says, this is learning to read between the lines. I think I may hire that chap away from you, we need just that kind of a fellow.

Going back to Bobby's remarks about TIME and NEWSWEEK. I hope that you use your semioptics on those articles and read between the lines. There is a lot of criticism in them, but I'm not asking you to avoid that. I'm suggesting

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

that these articles are a very important mark in the course of American intelligence. Very important because I believe they signify a turning of the corner. For three years now the American media has written about intelligence only in terms of criticism--almost. But these articles are asking a constructive question if you read between the lines. The question is how do we have effective intelligence in a democratic society? I believe that the opening of that question--the turning from a critical to a constructive vein--is an important turning point. I believe it symbolizes that we are about to usher in a new era in American intelligence. Now I can assure you that I do believe we have had effective intelligence within our democratic standards while protecting the rights of our citizens. But I would also assure you that that's going to take change, adaptation, and this doesn't come without controversy and a certain amount of pique. Now I'm sure that in all of your businesses when you make major organizational changes or major changes in procedures, you don't have any problems at all in getting your employees to accept those and to go right along with them. But in our bureaucracy of the government there is sometimes resistance to change. Resistance to the kinds of adaptation that we are having to make today in the world of intelligence. If I might have the effrontery to suggest, it's about like the change that a well-established, successful family business makes when it decides to go public.

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Take a family business that has been in business for 30 years and started out with a good product; it marketed it well, it was very profitable. But after 30 years they really had to adapt that product and they really had to diversify product lines. Much the same is the case in American intelligence today. We started out just 30 years last September when for the first time this country organized a peace time intelligence appratus. And back then it was really like a family intelligence business. It had one product, the product at the beginning was information about the Soviet Union; primarily information about the military aspects of the Soviet Union. Now, we were also interested in some of those Eastern European satellites which were under the Soviet's wing. And, we were of course, interested from time-to-time in other countries in the world that the Soviets made forays out and tried to establish a position in other countries. But basically, our product line was determined by what the Soviets were up to and where. Our product had one other characteristic. When the Soviets did make a venture out into the third world this country not only wanted intelligence information about that activity of the Soviet Union, they called upon your intelligence organizations to do something about it. We called that political action, or the influencing of political events in other countries. Remember, we were there in Iran when the government changed from communist to that of the Shah in 1953; similarly in Guatemala in 1954; as you're well

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

aware over a period of time in 1960's in Cuba and very, very successfully throughout the war in Vietnam; and as recently as 1975 we were there, in an effort to change the political scene in Angola until the Congress of the United States decided otherwise.

But look back now at these 30 years and the changes that have come over the environment in which the United States lives. We are no longer interested in 8 or 10 or 12 countries in the world only. We have legitimate needs for good intelligence information about almost everyone of the 150-some countries around us. And listen to the names of those countries that I have to recite when I brief the top policy makers of our government from time to time: Zimbabwe, Namibia, Benin, Somalia--countris that didn't exist or we didn't know or think about a dozen years ago. Then there are things like OPEC an acronym none of us would have paid any attention to maybe 5 years ago. Our sphere of intelligence interests, our product line has simply burgeoned, it has expanded immensely. Not only geographically but topically. Yes, we must still today put our primary emphasis on military intelligence about the Soviet Union. But beyond that we have to extend our horizons, we have to think very much in the political and economic fields in these countries all around the world. And there is one other difference in our approach to the intelligence product today, and that is the attitude of the country towards political actions, towards interferring

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

in the events of other countries. As the Congress did terminate that activity in Angola, so there is a lesser inclination for this kind of activity today. I don't mean to say we are renouncing political action, we must have that capability but we must use it more judiciously. We must use it under greater controls and I'll speak of those a bit more later. But basically, our product today is providing intelligence information--economic, political and military to the top policymakers of our country in a form that they can utilize and about a wide geographical range of countries. Now this change requires different attitudes, different skills, different kinds of people. These adjustments can be made and they can be made without difficulty but not necessarily without some noise and some pain.

Now, another reason that a family business will go public is if it finds its production line is outmoded. It simply needs new more sophisticated more expensive machinery and to get the capital, it incorporates. Well, so too, the production line of intelligence has changed today. At the very beginning it was the historic, human agent that was the keynote of intelligence. You remember Joshua sent two spies into Jericho before he marched around with his trumpets and the human agent has been the foundation of intelligence ever since. But in the last 10 to 15 years there has come a revolution in this production line because we now have technical means of collecting intelligence that just boggle

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

your imagination. The quantity of data that can be obtained through these technical intelligence collectors is today just going up not geometrically but at much greater rates. Those of you here in the electronic industry know what I'm talking about in terms of vastly increasing capacity in much smaller size and at much less cost. Now interestingly the advent of this technical revolution in intelligence collection and collecting the data they need is in fact emphasizing the importance of the traditional human intelligence collector. And the reason for this is simply that generally speaking when you get this technically collected data, it tells you what happened yesterday or maybe today. When I give that information to policymakers they look at me and say, Stan why did they do that and what are they going to do tomorrow if that is what they did yesterday? And that's the forte of the human intelligence agent; finding intentions, finding plans, finding the hopes of other people. So today, as greater quantities of technical data become available we must compliment that with a greater effort in the human intelligence sphere as well. But what I have been saying to you now still adds up to the fact that the production line has changed, it has changed from a production line in which we relied almost exclusively on one machine to where we today must rely on a series of well-oiled, well-meshed machines that tie together. Again, this is an adjustment, it's a change, a change in the process, a change again in the type of people, the type of organization that you need

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

and it doesn't come too easily.

Also, when a family business goes public, when it changes its product and its production line it may find that its personnel policies have to be adjusted too. Because you need new kinds of people, you need new skills to man these new machines and produce these new products. And so too, we have had to adjust our personnel policies away from a family business-like atmosphere because of these new demands upon us. This country has been blessed for 30 years with some of the most dedicated capable intelligence specialists in the world, one of whom, Ray Cline, you will hear from on Wednesday. These people came in at the beginning, they came in at the height of the Cold War and they have given tremendous service to us. But as they have moved through the structure they dominate the top of the organization and today we are facing a problem of what you could call block obsolescence. We are facing the day, very shortly, when large numbers of these people will leave for reasons of retirement. Now that's something that presents me a problem, which is unique. It is different from one that anyone of you here might have, I believe. In your corporations, your companies, if most of your vice presidents or managers all happen to depart at the same time, what do you do? You go out in the market and you get some more. You renew. In my business where can I turn to find a professional intelligence officer? A trained spy? I can't do it, I have to raise them from within. I have to raise them by a series of promotions, assignments, progressions.

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

I must have a system so that when I have a key position to be filled, one where we are going to take risks for this country and where this country's reputation and success may be at stake, I must have three or four choices: people who have been groomed through this non-familiar personnel system to be ready to take over when they are needed. But again, this kind of a change in personnel management does not come easily. And I can assure you that it was not easy for me on the 1st of November last year to ask 212 of our loyal employees to step aside to make room for this profession that we need. But it simply had to be done if we were to ensure a strong Central Intelligence Agency in 1985 and 1990 and so on.

Now a family business usually manages to stay out of the public limelight, but when it goes public and has stockholders and so on, it begins to have to make that adjustment also. And I can assure you that when an intelligence business goes public it is a wrending, difficult experience because so much of what we must do can only be done in secrecy if it is to be achieved at all. And yet, the time has come when the intelligence community of this country simply must be more open. There are risks in this, there are dangers in it particularly when you look at how the KGB operates against us. But there are also strengths. If you look back again at those three years of intense criticism of intelligence, you have to recognize that there was a lack of support and understanding in the American public because the intelligence community was not only sometimes correctly but often falsely

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

accused. But it had never built up understanding and support in the American public and hence it had no supporters or defenders when the bad days came. Let me say again that we are in the risk taking business and as I sat here and had lunch with you today and drew my fortune out of the cookie--I don't know who planted these, I guess you get suspicious when you're in my business--the one I drew was, "if the profits are great, the risks are great." Now that is really more applicable to you perhaps, but it is very applicable to my profession because we are in the risk taking business, and you don't get good profits, you don't get good intelligence unless you take some risks and when you take risks there are going to be times when you make mistakes. Now that's when your going to need understanding and support of the American public as well of course of the times when you are falsely accused of making mistakes.

So we are trying today to be more open with you, to tell you more about what we are doing. Now let me assure you that there is no way we can tell you everything that we do and particularly we cannot tell you too much about how we acquire our information because as we do, it will be easier for others to take countermeasures and defeat our future efforts to collect that information. But what we have been doing, is we have been looking at what we collect and then what we have analyzed from that and the conclusions we have drawn and we've asked ourselves can we take out of these

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

analyses, these estimates, things that we cannot afford to put in the public domain and still have enough left that will be of value to the American public, and if that's the case, we will publish it. Perhaps you read of some of these. We put out an average of two unclassified estimates or studies a week in the past year and we hope they have been of value to the public and I particularly hope they have been of value to American business.

For instance, last July we put out a study on the future prospects for the Soviet economy. We came to the conclusion that the outlook for that economy is bleaker today than at any time since the death of Stalin. Why? Well, because in our view that Soviets have managed to continue increasing productivity by a simple formula of primary reliance or increased infusions of labor and capital, but they are coming to a dead end. Their demography is such that in the 1980s the birthrate will only sustain a half a percent a year growth in the labor force in the Soviet Union, compared with a percent and a half today. And on the capital side they are having to reach further and further into the wastelands of Siberia to get their natural resources and, of course, as all of you well know, the costs of investment in modern sophisticated machinery are going up as well. Now the Soviets recognize this and in their five-year plan they acknowledge that they will not be able to increase the inputs of labor and of capital and yet they somehow predict they are going to continue to increase productivity. We

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

don't think it's in the cards, we don't think they can make the changes in their economic system, their stifling economic bureaucracy, that will allow that kind of increase. And what impact does that have on you? And on me? Well, for one thing it means the thirst the Soviets have for American technology and American manufactured goods may not be quenchable. They may not be able to earn and obtain the foreign exchange that is necessary, or if they do they may have to do it on credit, and that faces you and the government with difficult choices.

We have done other studies we've published that would be of interest to you on the international steel outlook, on international terrorism--the fact that the increase from 1975 to 1977 in the number of international terrorists incidents that affect U.S. persons and corporations is from 20 to 40%, (I'm sorry, my numbers are wrong. It used to be 2 out of 5 and now it's 3 out of 5 instances of international terrorism that affect American interests). A discouraging but factual situation. We are going on with other studies like this. We hope they will on the one hand help inform the American public and on the other help to improve the quality of debate in our country over these cardinal issues. But again, let me stress that adjusting the intelligence organization of our country is not an easy process.

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Finally, when a family business goes public it also begins to subject itself to new forms of oversight, like a board of directors. Well, my board of directors is the President, the Vice President, the National Security Council, something called the Intelligence Oversight Board established by the President, and two committees of Congress, expressly designed to oversee the intelligence process. And today we are reporting to and being much more forthright with these oversight bodies. There are risks here too, of course, but there are also strengths. There are strengths in sharing the responsibility for the risks we take. There are strengths in not becoming too separated from American public opinion, staying in touch with the Congress and understanding what the American public wants from its intelligence community. There are strengths in having someone with a different outlook pass judgment on the risks that we do take. But of course, there are dangers. There are dangers that this could lead to intelligence by timidity, unwillingness to take risks when you have to discuss those with other people. And there are risks of leaks, leaks of security information which could endanger the intelligence process. But I think we are going to work out a common balance here that will allow us to proceed with this oversight and with the openness I have just described without leading to intelligence by timidity or undue danger of security leaks. It is not going to be easy, but it is necessary and I'm sure that we can do it.

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

One of the steps to move us into doing it was mentioned by Bobby and that's a new Executive Order which the President signed two weeks ago tomorrow which tries to take these evolutionary changes that I have been describing and put them into express orders. And very briefly, there are three aspects to this Executive Order: The first is to try to ensure that the intelligence process of our country is closely related to the needs and desires of its policymakers. I'm not the one to decide what we need to do in intelligence, I'm not a consumer, I'm a producer of intelligence, so this Executive Order sets up a committee of which I'm the chairman but of which the members are the Secretary of State, Secretary of Defense, Treasury, the National Security Advisor to the President. They gave me my marching orders, my priorities, my instructions and this should keep American intelligence pointed in the most useful direction possible. The second aspect of the President's new order is to give me added authority to coordinate the intelligence effort. I really have two jobs, I'm the Director of the Central Intelligence Agency, but I am also the Director of Central Intelligence, which is coordinating the intelligence functions of not only the CIA, but the Defense Department, the State Department, the Treasury and so on. This new order, through the budgeting authorities of several others, gives me more opportunity to ensure that we are not only effective but efficient and economical. And finally, the Executive Order has a section that is devoted

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

entirely to protecting the rights of American citizens and establishing the ground rules under which we can operate in our intelligence efforts whenever there is an impossible impingement on American rights. Here, the Attorney General has been brought into the process much more than ever before in terms of overseeing and checking and having a system of check and balances.

The last step in this new era of American intelligence, the last step in shaping the way we are going to do what has to be done to obtain the right information for our country, will be charters enacted by the Congress. Drawing on these procedures which we have established and which I have described to you, drawing on the President's Executive Order and now codifying those portions that the Congress feels should not be left to the Executive Branch but should be put into expressed law. That process is just starting and we will be working in the months ahead with the Congress to establish those rules and guidelines.

In closing, I would say that I'm very confident that out of this process now, out of this rehaping of the American intelligence community, we are going to continue to be the number one intelligence organization in the world. And I can also assure you that I personally will be doing everything I can in the years ahead to ensure that it's just that way for you.

Thank you

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

6 Feb 78

Q&A

28th Annual University for Presidents

Q: What is the Central Intelligence Agency's role with the Canadian Intelligence with respect to the Russian satellite that came down?

A: With respect to the Canadian intelligence we have a very warm and close liaison relationship as we do with a number of other allied countries of course. For instance, in the year I've been in office I've had calls here in Washington from the top people in the Canadian intelligence services and we have ensured that the teamwork that goes between us has continued smoothly. And the case of the Russian satellite that came down in Canada, it's just a very typical instance of that. We in our intelligence business were the first to detect this problem. We have been watching this type of Soviet satellite for over 10 years. In this case, we saw that it was an aberration, that it changed its pattern up in the skies. At that point we notified the Canadians and others and gave our best predictions of where it could come down and then as soon as it defintely did come down over Canada there was tremendous cooperation and coordination in the locating and retrieval of it. This is typical of one of the areas of intelligence that we must give continuing attention to and that's our relationships with our allies. Intelligence requirements are so great today that we must draw on every asset we can get and therefore, we try to bring in the allied intelligence services to the extent we properly can so that we benefit by what they have and in turn we give them as much as we can reasonably give to them who in turn make their efforts more productive. We are very pleased with our relationships sir with your intelligence community.

Q: Admiral Turner, I always felt that a democracy was at a distinct disadvantage in competing with the communist world countries. Don't you believe that further openness in our intelligence agencies will only cause further deterioration in our competition?

A: No I do not, for a couple of reasons. One, there is clearly no point in defending ourselves if we undermine ourselves from within. One of the great protections of our country is being as open as we possibly can. I'm talking to you about being open in areas where I sincerely believe we can do that without jeopardizing what must be kept secret. In addition, let me suggest to you that one of the reasons we are number one; one of the reasons we are going to remain number one is,

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

there is collecting information and there is analyzing and interpreting it. Now when you come to analyzing it you may well find that the conclusions you draw from the facts at hand are at variance with what the policymakers want to know. It is my unfortunate duty to ensure that if the facts lead to conclusions which are contrary to the policy the President and the Secretary of State are following that I get up there and tell them that. But I don't worry about losing my head, if that's the case. But if I were my counterpart, Mr. Anderpov, I'm not sure I would be so happy about it. So I can say to you, I believe that in a free democratic, open society where we can interpret the intelligence signs, good or bad, we have a tremendous advantage over an authoritarian, closed society.

Q: ...Inaudible...

A: No, it's a problem, it's a real problem but it's not quite attributable to our policy of openness. It's attributable to our policy of leaks. I don't think I'm telling anything to you today, or in releasing these studies on the Soviet economy, or steel in the world outlook and so on, has caused any concern in our liaison arrangements. But when they pick up a newspaper and find that so-and-so was on our payroll yesterday or they read that the way we got our information about such-and-such a world event five years ago was to do this or to do that, that makes them very nervous. And somehow we must strengthen our security over the vital information particularly as I said, over how we collect that information. And interestingly a part of that process in my opinion is being more open. Today we have a plethora of classified information in our government, and Winston Churchill once said when everything is secret, nothing is secret. And so, I am trying by releasing more information to reduce the corpus of classified information within the government and thereby increasing respect for that which remains classified. When you have too much, people simply do not treat it seriously and so, we have got to, within the limits of our society and its standards and its laws, tighten up on what we leak, not on what we deliberately release.

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Q: Admiral Turner could you explain the proposed submarine cable that is to be possibly buried in the upper part of Michigan as far as the importance of it?

A: I'd be happy to take a little swing at it, but this is not actually an intelligence problem it's an operational military problem and I don't want to get out of my balliwick too far. Basically, one of our principal forms of strategic nuclear deterrencs, preventing intercontinental nuclear warfare, are our polaris Posieden submarines on patrol in the oceans of the world. Their virtue, of course, as you recognize is that they are difficult to detect and target, so they give us an assurance that we have a capability there that can not be destroyed by what is known as an enemy first attack. One of the things you obviously must do, however, even in the event of an enemy first attack, is to be able to communicate with those submarines. There are lots of ways to do that and one that is being considered is to bury these cables in the ground over sizeable distances because they would be less amendable to being knocked out in a first strike attack and they would be able to assure or give us greater assurance of continued communication with those important submarines. That is the purpose behind that.

Q: Some of us had a briefing at the CIA in September of 1977 through YPO. George Bush had his expert on China explain to us what they found, or what they assessed on the leadership in China, the power struggle. We were all very impressed with that type of information but it didn't get very much publicity. I wonder if you could comment for this group as to how you see the leadership in China right now?

A: Yes, we've got an interesting shift with the revival of Teng Hsiao-p'ing in China; an interesting attempt to reverse a lot of the policies that went on under Mao; an attempt to put much more emphasis on rational economic programs to recoup some of the lost distance in both economics and education that had taken place previously. There is today, however, not a settlement of who is going to lead China. There is still a rivalry. We still see signs of it recurring from time-to-time. We think a lot is going to depend on how they resolve these internal rivalries in that organization. But, overall I would say the signs have been encouraging since this change in leadership and we are hopeful that they will resolve their internal differences and continue on the constructive course they have embarked on.

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Q: Inaudible

A: The question is, what do I think of the resolution of the case of my predecessor, Dick Helms, what would I do in those circumstances, and is there a way out of that problem?

The answer is yes there is a way out of that problem and it really comes from this oversight process I described briefly to you. If I were confronted with a situation today where a committee of Congress asked me to testify on the kinds of things they asked Dick Helms about, I would have the opportunity to say to them: Sirs, that is a matter under the province of the intelligence committees of the Congress, one in the House and one in the Senate, and I have briefed them on that situation, and I believe it would be best if you worked with them in obtaining that information. I'm very free in talking to any committee of Congress about the substance of intelligence--what we think about China, what we think about the balance of power in Europe--but when it comes to describing now how we go about our intelligence, it's very sensitive material. I am able to focus that in these two committees which did not exist in those days with Dick Helms and confine my most inner revelations to these two small bodies of Congress-people. That gives me a great deal of protection against the situation in which he was placed. Basically, I would also say about the Helms situation that on the one hand I am very pleased that we did not have to go through the trauma of a public trial because it would have forced us to bring forth much more classified information in the process of the trial. We would have been jeopardizing this liaison we are talking about here in particular. But secondly, let me also assure you that although Mr. Helms was not brought to trial it was a very firm reminder to all of us in government that none of us stands above the law.

Q: Inaudible

A: No, I can't for a couple of reasons. One is that the CIA and the intelligence business in general in our country stay out of law enforcement; stay out of collecting information about American citizens. We have in the course of the years had incidental information about Park as a Korean. All that information as it related to the Congress in any way was turned over to

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2

the appropriate law enforcement authorities. On top of that, since there is possible legal action pending here, it would be injudicious for me to enter into a discussion of any other facts in the case.

Approved For Release 2007/03/22 : CIA-RDP99-00498R000200070004-2